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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte SRUBA DE, ANANT NAMBIAR, and SHERYL SLEEVA

Appeal 2015-002064¹
Application 11/755,288²
Technology Center 3600

Before NINA L. MEDLOCK, PHILIP J. HOFFMANN, and
CYNTHIA L. MURPHY, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 10–16 and 18–20. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants' Appeal Brief ("App. Br.," filed November 22, 2013) and Reply Brief ("Reply Br.," filed December 2, 2014), and the Examiner's Answer ("Ans.," mailed October 2, 2014) and Final Office Action ("Final Act.," mailed March 15, 2013).

² Appellants identify MasterCard International Incorporated as the real party in interest. App. Br. 3.

CLAIMED INVENTION

Appellants' claimed invention relates to a method for developing a payment card product targeted to a specific consumer market segment (Abstract).

Claims 18, 19, and 20 are the independent claims on appeal.

Claim 18, reproduced below, is illustrative of the claimed subject matter:

18. A method for developing a payment card program based on a multidimensional segment analysis, said program consisting of a plurality of card elements, said method comprising:

- performing demographic analysis to identify an opportunity segment;

- receiving market research data regarding said opportunity segment;

- receiving attitudinal research data regarding said opportunity segment;

- receiving behavioral data regarding one or more consumers in said opportunity segment;

- performing behavioral analysis on said behavioral data using computer hardware;

- developing a profile of a targeted consumer segment based at least in part on the results of said behavioral analysis and said attitudinal research data; and

- selecting a plurality of card elements based on said profile for subsequent offering to said targeted consumer segment as a payment card program, wherein said plurality of card elements are selected prior to issuance of a payment card associated with said payment card program to a member of said targeted consumer segment.

REJECTIONS

Claims 10–16 and 18–20 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 10–15 and 18–20 are rejected under 35 U.S.C. § 102(e) as anticipated by Haggerty et al. (US 2006/0242039 A1, pub. Oct. 26, 2006, hereinafter “Haggerty”).³

Claim 16 is rejected under 35 U.S.C. § 103(a) as unpatentable over Haggerty and Mack et al. (US 2003/0229533 A1, pub. Dec. 11, 2003, hereinafter “Mack”).

ANALYSIS

Non-Statutory Subject Matter

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *See, e.g., Alice Corp. Pty Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1300 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these concepts.” *Alice Corp.*, 134 S. Ct.

³ We treat the Examiner’s reference to canceled claim 17 at page 3 of the Final Office Action as inadvertent error.

at 2355. The first step in that analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” *id.*, e.g., to an abstract idea. If the claims are not directed to an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Alice Corp.*, 134 S. Ct. at 2355 (quoting *Mayo*, 132 S. Ct. at 1297).

The Court acknowledged in *Mayo*, that “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo*, 132 S. Ct. at 1293. We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016).

Here, in rejecting the claims under 35 U.S.C. § 101, the Examiner finds that claims 10–16 and 18–20 are directed to providing a payment card, which the Examiner determines is a fundamental business practice and, therefore, an abstract idea; that the claims do not include limitations that are “significantly more” than the abstract idea because the claims do not include an improvement to another technology or technical field, an improvement to the functioning of the computer itself, or meaningful limitations beyond generally linking the use of an abstract idea to a particular technological environment; and that the claims require no more than a generic computer performing generic computer functions that are well-understood, routine, and conventional activities previously known in the industry (Ans. 4–5).

Responding to the rejection, Appellants assert that claims 10–16 and 18–20 are not directed to an abstract idea (Reply Br. 4). But Appellants offer no persuasive argument or technical reasoning to support that position. Instead, Appellants merely paraphrase the language of claim 18, and summarily assert, “[t]his is not an abstract idea;” at the same time, Appellants concede that the claims “*involve* . . . what could be argued to be an abstract idea, if “only in part” (*id.*).

Appellants further argue that even assuming, for the sake of argument, that claims 10–16 and 18–20 are directed to an abstract idea, the claims “contain an inventive concept sufficient to transform the claimed abstract idea into a patent-eligible application” (*id.* at 4–5). Citing limitations recited in claim 18, which Appellants assert are “patentably distinct from the cited references,” Appellants ostensibly argue that claims 10–16 and 18–20 contain an “inventive concept” because the claimed invention is novel and/or non-obvious (*id.*). That argument fails at least because Appellants misapprehend the controlling precedent. Although the second step in the *Alice/Mayo* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness, but rather, a search for “an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice*, 134 S. Ct. at 2355. A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 132 S. Ct. at 1304.

We are not persuaded by Appellants’ arguments that the Examiner erred in rejecting claims 10–16 and 18–20 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection.

Anticipation

Independent Claim 18 and Dependent Claims 10–15

We are persuaded by Appellants’ argument that the Examiner erred in rejecting independent claim 18 under 35 U.S.C. § 102(e) because Haggerty does not disclose “selecting a plurality of card elements based on said profile for subsequent offering to said targeted consumer segment as a payment card program,” as recited in claim 18 (App. Br. 7; *see also* Reply Br. 6–7).

Haggerty is directed to a method for modeling consumer behavior and applying the model to both potential and actual customers to determine, based on individual and aggregate consumer data, consumer spending behavior patterns (Haggerty ¶¶ 7, 8, 21–23, 31, 33, 34). Haggerty discloses that consumer behavior can be modeled, for example, by dividing consumers into categories based on account balance levels, demographic profiles, household income levels, or any other desired categories (*id.* ¶ 34; *see also id.* ¶ 26). One or more models are generated for each of the categories of consumers (*id.* ¶ 34), and these models are used to estimate the size of an individual consumer’s spending wallet (*id.* ¶ 42) (describing that individual consumers or prospects to be examined are selected and “[a]n appropriate model . . . [is] applied to the presently available tradeline information [i.e., information associated with the customer’s account] . . . to determine, based on the results of application of the derived models, an estimate of a consumer’s size of wallet.”); *see also id.* at ¶ 26). Based on the output for the individual customer, purchasing incentives are then identified and provided to the customer (*id.* ¶¶ 26, 67–69).

In rejecting claim 18 as anticipated by Haggerty, the Examiner cites paragraphs 22, 23, 26, 31, 34, 35, 67, and 68 as disclosing the argued

limitation (Final Act. 4). However, we find nothing in the cited paragraphs that discloses “selecting a plurality of card elements based on said profile for subsequent offering to said targeted consumer segment as a payment card program,” as called for in claim 18. Instead, the best that Haggerty discloses is that models are applied to information related to individual customers to identify purchasing incentives for the individual consumer (*see, e.g.,* Haggerty ¶¶ 67–69). We agree with Appellants that offering an incentive to a single consumer – whether that individual is a current or prospective cardholder – does not constitute an “offering to said targeted consumer segment as a payment card program,” as called for in claim 18 (Reply Br. 6).

In view of the foregoing, we do not sustain the Examiner’s rejection of claim 18 under 35 U.S.C. § 102(e). For the same reasons, we also do not sustain the Examiner’s rejection of dependent claims 10–15.

Independent Claims 19 and 20

Independent claims 19 and 20 include language substantially similar to the language of independent claim 18, and stand rejected based on the same rationale applied with respect to claim 18 (*see* Final Act. 4). Therefore, we do not sustain the rejection of claims 19 and 20 under 35 U.S.C. § 102(e) for the same reasons set forth above with respect to claim 18.

Obviousness

Dependent Claim 16

Claim 16 depends from independent claim 18. The rejection of claim 16 under § 103 based on Mack, in combination with Haggerty, does not cure the deficiency in the Examiner’s rejection of claim 18. Therefore, we do not sustain the rejection of claim 16 under 35 U.S.C. § 103(a).

DECISION

The Examiner's rejection of claims 10–16 and 18–20 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejection of claims 10–15 and 18–20 under 35 U.S.C. § 102(e) is reversed.

The Examiner's rejection of claim 16 under 35 U.S.C. § 103(a) is reversed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED